

Branding in B2B markets is certainly more than finding a clever name for a product or company. Successful branding requires discipline and focus. Here are 5 lessons for branding B2B companies.

How to Brand a B2B Company

By Kathryn Roy

What branding is not

There are several layers to image for a company selling to businesses, starting with professional appearance, graduating to visibility, and culminating with meaningful differentiation that is reinforced by supporting data and experiences. While meaningful differentiation is required for effective branding, it is difficult to achieve meaningful differentiation if you lack either visibility or a professional image. Professional image and visibility are necessary, but not sufficient elements for effective branding.

And if you are lucky enough to secure a differentiated position, you need to protect it with consistency of behavior, imaging, and messaging. Oh yes – and you have to beware of competitive attacks on your differentiated position and be prepared to change your position every few years as the key criteria for purchases shifts.

I frequently hear people suggest, “Let’s brand this!” often meaning, let’s find a creative name for this thing. There are two misconceptions buried in that statement. First, sticking a name on a service



Components of a Strong Image

or product component is a far cry from developing a brand. If you don’t have the resources to make the name into an effective brand, you are better off not pasting a name on in the first place.

Few companies can carry many brands successfully. Look at IBM – a \$100+B company. They have determined that they can only support 5 brand names. Many multi-million dollar companies find that they can carry only one brand successfully. Most Lotus customers were familiar 1-2-3, but not Lotus. They thought that the company name was

also 1-2-3. And Lotus spent tens of millions of dollars a year on “branding.”

A track athlete competing in multiple events is less likely to win than one who focuses on a single event. In a similar fashion, companies that put all of their efforts behind one or a few brands are more likely to achieve success than those who try to promote many brands at the same time. Many start-up ventures avoid naming their companies after their premier product – wanting to suggest that they’ll soon have a stable of successful products. This is a sad mistake. eRoom (acquired by Documentum, which was soon swallowed by EMC) started as a product of Instinctive Technology, but the company soon adopted eRoom as its name.

Let’s look at how a hypothetical company called MidSize wrestled with a surplus of product names and honing in on one differentiating message for the company brand.

Battling name confusion

As with many companies, MidSize was formed by the merger of MidSize and Primo, which had only recently changed its name from Exceli. MidSize has three products, only two of which share a root syllable in their name and none of which have any relationship with the company name. Customers who aware of MidSize’s latest product are often unfamiliar with MidSize the company. At industry conferences, MidSize executives find almost everyone is familiar with at least one of their products, but few have heard of MidSize, Primo or Exceli. For a long time, MidSize’s executives missed this point because they dealt primarily with the customer contacts responsible for purchasing MidSize’s products who became aware of MidSize company name through contracts, emails, and marketing communications materials. However, the vast number of MidSize’s users don’t know which company makes the product they use.

One MidSize product, OnTarget, had modules labeled OnSight and OnPoint and an associated service called On-Time. None of these clever names had

meaning to MidSize’s customers. In fact, customers would need a glossary to figure out what MidSize was referring to. MidSize changed the modules and service names to OnTarget *Descriptor*, where *Descriptor* explained what the module or service did using the customers’ vocabulary.

Branding the company

Cleaning up the confusing profusion of product names doesn’t address how to brand the company. Most companies start by thinking about the image they want to project. This turns out to be completely backwards.

Branding is less about building a house from scratch and more about finding a vacant room to occupy. Assume the people you want to influence are lazy, resistant, and stubborn. They are not willing to spend more than microseconds on your company or brand. You have to detect the place that you can occupy in their brain by understanding what they care about and what they already think of competitors. And then fight to occupy that place with all of your resources.

MidSize, after careful consideration, decided to compete based on better integration. In fact, MidSize’s products are not yet as integrated as their customers would like. However, MidSize can successfully convince customers that MidSize is most likely to successfully integrate through outlining MidSize’s product vision, demonstrating MidSize’s depth of understanding of customers’ problems, and establishing a track record of delivering on promises. And because MidSize was claiming integration as their differentiator, they will need to devise a new name for the integrated suite and revise the component product names to reinforce the perception of an integrated suite.

It was not easy to get MidSize’s executives to agree to favor integration over other differentiators. There’s an innate human desire to be all things to all people. A recent industry column described a competitor as more nimble than MidSize. Some MidSize employees want the company to be established and nim-

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ble. You can't hold a room by darting out of yours into another periodically. The right way to respond is to say:

"Of course vendors who don't do X, Y, and Z are able to change software faster. Sometimes we are slowed down a little by delivering higher quality with more integration. However, we score high in productivity, and we consistently add important features to our products. We hear that our 'nimble' competitors have missed the boat in addressing user productivity."

For technology companies, one of the benefits of successful branding is customer patience. Why do companies settle for inferior products from Microsoft? Because they believe that within a few releases, Microsoft will attain the lead position. Integration for MidSize was – more than anything else – a credible promise of differentiation that gave customers and prospects a reason to justify their choice of Mid-Size.

In conclusion

Branding is more complicated than it first appears and certainly more than finding a clever name for something. The key branding points to remember are:

- Marshal your efforts and resources behind as few "brands" as possible
- Find an unclaimed differentiator and lock it down.
- If you aren't credible, you can't own it.
- You can't be all things to all people.
- Consistency wins over creativity